

House File 2459 - Introduced

HOUSE FILE 2459

BY KRESSIG

A BILL FOR

1 An Act exempting from the state sales tax the purchase price of
2 tangible personal property sold to a nonprofit food bank.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2018, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 103. The sales price from the sale of
4 tangible personal property to a nonprofit food bank, which
5 tangible personal property is to be used by the nonprofit
6 food bank for a charitable purpose. For purposes of this
7 subsection, "*nonprofit food bank*" means an organization
8 organized under chapter 504 and qualifying under section
9 501(c)(3) of the Internal Revenue Code as an organization
10 exempt from federal income tax under section 501(a) of the
11 Internal Revenue Code that maintains an established operation
12 involving the provision of food or edible commodities or the
13 products thereof on a regular basis to persons in need or to
14 food pantries, soup kitchens, hunger relief centers, or other
15 food or feeding centers that, as an integral part of their
16 normal activities, provide meals or food on a regular basis to
17 persons in need.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill exempts from the sales tax the purchase price from
22 the sale of tangible personal property to a nonprofit food bank
23 if the property is to be used by the nonprofit food bank for a
24 charitable purpose. "Nonprofit food bank" is defined in the
25 bill.

26 By operation of Code section 423.6, an item exempt from the
27 imposition of the sales tax is also exempt from the use tax
28 imposed in Code section 423.5.